

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)
)
GTE CORPORATION,)
)
Transferor,)
)
and)
)
BELL ATLANTIC CORPORATION,)
)
Transferee,)
)
For Consent to Transfer Control.)

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

CC Docket No. 98-184

Comments of

Keep America Connected
Alpha One
American Council on Education
Harlem Consumer Education Council
National Association of College and University Business Officers
National Association of Commissions for Women
National Association of Development Organizations
The National Trust for the Development of African American Men
National Urban League
Northern Virginia Resource Center for the Deaf and Hard of Hearing Persons
United Homeowners Association
United Seniors Health Cooperative
World Institute on Disability

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November 23, 1998

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The undersigned organizations welcome the opportunity to submit comments in support of the Bell Atlantic and GTE merger. The commenters represent a broad range of interests and organizations. We are brought together on this filing due to our common view that the proposed merger will be beneficial to consumers.

It is critically important that the Commission assess the new company's commitment and ability to meet the core values of importance to the undersigned organizations including diversity, accessibility, consumer education/protection, and broad customer service issues.

In this rapidly changing telecom market, we believe the merger of Bell Atlantic and GTE can foster a more competitive telecom market that will speed the provision of more telecom choices and services to all consumers and communities. It is through this spectrum that our filing examines the merger of Bell Atlantic and GTE. As the telecom market continues to rapidly evolve, we believe the merger of Bell Atlantic and GTE is in the public interest and can promote the goals of the Telecommunications Act of 1996 by enhancing competition and creating new services and choices for ALL consumers.

We also ask the Commission to continue to encourage and evaluate all telecom providers, including a merged Bell Atlantic and GTE, on the values of inclusiveness, customer responsiveness and consumer protections, and to continue to work to ensure the availability of telephone service to all Americans at affordable rates.

I. STATEMENT OF INTERESTS

Keep America Connected (KAC) is an organization comprised of groups whose demonstrated goals involve promoting a variety of telecommunications issues. The primary goal of KAC is that regardless of income, race, disability, age, ethnicity or geographical location and affordable access to the use of the modern telecommunications infrastructure and services should be available. This goal is best achieved through the rapid development of a fully competitive marketplace that ensures that consumers across the nation will have access to more services at lower prices.

Alpha One is the largest center for independent living in Maine. Its members consist of both executives and managers who have disabilities and those who do not. Consumers of its services have a wide range of disabilities including physical, sensory, developmental and multiple. Four offices located statewide enable thirty professional staff, many with disabilities themselves, to respond to the diverse needs of people across the state. Alpha One is also a leading advocate in shaping public policy to address and integrate the needs of people with disabilities especially in the area of telecommunications.

American Council on Education (ACE) is a nonprofit association comprised of 1,850 colleges, universities and other educational associations. ACE supports efforts to enhance telecommunications services or offerings available to its members.

Harlem Consumer Education Council, Inc., is a consumer advocacy, consumer education and training organization based in New York City, New York. Among its activities is sponsorship of "Harlem Consumer Awareness Day," a joint conference with state and federal agencies.

National Association of College and University Business Officers (NACUBO)

members are nonprofit and for-profit organizations located in the US and abroad who are all committed to excellence in higher education, finance and administration. One of NACUBO's missions is to anticipate the issues affecting higher education across the world particularly the use of telecommunications as a means of sharing information and knowledge. NACUBO supports universal access to telecommunications regardless of ethnicity, income or geographic location.

National Association of Commissions for Women (NACW) represents local commissions established to promote the interests of women in cultural, social, and economic fields. NACW supports policies and programs that empower women to make informed choices about all aspects of their lives. NACW has been active in the debate on telecommunications reform, supporting legislative and regulatory initiatives to encourage competition, thereby creating new options and services for women as consumers and in their businesses.

National Association of Development Organizations (NADO) is a public interest group founded in 1967 to promote community and economic development in America's small metropolitan and rural areas. NADO is a leading advocate for a regional approach to community and economic development. The association's primary goal is to assure all rural citizens have employment opportunities, public services, and a quality of life comparable to other Americans. NADO's members are regional development organizations whose staff provide professional assistance to local governments, businesses, and nonprofit organizations. Regional development organizations help identify local needs and priorities, and are catalysts for strategic planning in rural communities. The functions of regional organizations vary depending on the needs of

local citizens and may include: small business financing, infrastructure and housing development, job training, environmental protection, and services for the poor and seniors. Each region is governed by a policy board of elected officials, business leaders, and citizen representatives.

The National Trust for the Development of African American Men is a national, non-profit organization based in the Washington, D.C. area that addresses the development, needs and challenges of African-Americans; especially males, in the areas of health, leadership, training, economic development, education, and crime prevention from an African American view of the world. The Trust operates programs throughout the Bell Atlantic region with a particular emphasis on technology training and making computers and on-line services accessible in low income and underserved communities.

National Urban League, Inc. is the premier social service and civil rights organization in America. The League is a nonprofit, community-based organization headquartered in New York City, with 114 affiliates in 34 states and the District of Columbia, including many in the Bell Atlantic region. The mission of the League is to assist African Americans in the achievement of social and economic equality.

Northern Virginia Resource Center for the Deaf and Hard of Hearing Persons is the premier self-help and advocacy organization of and for deaf and or hearing impaired persons in Fairfax County, Virginia. The group supports efforts to ensure and promote universal access and new telecommunications technologies that will empower its constituents and create new opportunities in the workforce, education and society.

United Homeowners Association (UHA) is a national, nonprofit, membership based organization that represents the interests of homeowners in Washington, D.C.

UHA has an active communications advocacy program on behalf of its members. UHA has promoted the interests of homeowners in telecommunications to Congress, before the FCC and in the courts.

United Seniors Health Cooperative (USHC) is a charitable 501(c)(3) organization serving older people in the National Capital Area. USHC supports efforts to ensure that older people have access to advanced telecommunications applications to meet their health care and other needs.

World Institute on Disability (WID) is a private, nonprofit organization that serves as a research, training and public policy development center for the disability rights and independent living movements. Its board of directors and staff are predominately people with a wide variety of disabilities, and its work focuses on policy areas that are critical to the integration of people with disabilities into society. WID's Division on Technology Policy serves as a resource for disability organizations and individual activists who believe that people with disabilities can be empowered through technology. Its work centers search for ways to remove and prevent barriers to such use in the design of technology.

II. INTRODUCTION

In a recent address to the D.C. Bar Association conference on telecommunications law, Assistant Attorney General Joel Klein said most mergers create benefits and are good for the economy and argued that more competition in domestic telecommunications will happen regardless of temporary barriers because “inexorable forces” are pushing the trend.¹ Among these “inexorable forces” are fundamental changes in national and global markets and the incredible advancements in communications and computer technologies. The cutting edge of technology has shifted from “circuit-switched voice networks” employing analog technology to “digitized networks” providing combined voice, data and video capabilities.

The new technologies and changing markets have held the promise of bringing new choices and services in local, long distance, data/Internet, and wireless. Consumers are waiting. They have seen some new options and services, but much of this has gone to only the large business and high-end customers, leaving us to wonder if and when all consumers, and particularly the segments the undersigned represent, will enjoy these services. Meanwhile changes in the telecom market also have brought significant new consumer abuses such as slamming and cramming, as well as increased cream skimming and cherry-picking by new entrants who lack any ability or incentive to serve the mass market.

We stand strong in our commitment, and also ask the Commission to continue its work, to stop these consumer abuses, to bring the benefits of telecom competition to ALL consumers, and to ensure the principle that all Americans have access to telecom services

¹ Communications Daily, Comm Daily Notebook, Friday, November 6, 1998, p.5

at affordable rates. When assessing the merger, we ask the Commission to review the following questions:

Will the merger help to ensure that universal service remains a cornerstone of federal telecommunications policy in a dynamically changing and competitive market?

Will the merger increase the companies' commitments and abilities to meet the core values of importance to the undersigned organizations including diversity, accessibility, and consumer education/protection?

Will the merger of Bell Atlantic and GTE bring consumers more choices in telecom service providers and services (particularly in local service, but also long distance, data/Internet, and wireless)?

Will the merger speed technological advances and new services to ALL consumers?

Through the body of this filing, we examine these areas and raise the issues and concerns we believe the Commission should assess as it reviews the proposed merger.

III. UNIVERSAL SERVICE

Commission Chairman Kennard, in his comments regarding the April 10, 1998 Commission "Report to Congress" on universal service stated:

As we enter the twenty-first century, our duty is to maintain and improve upon the successes of universal service in an environment that differs markedly, in any number of ways, from the communications world of the past. The new communications world is different not only because of stunning advances in technology, but because of a shift in the competitive and regulatory paradigms, as foretold by the 1996 Act. These changes present us with formidable challenges.²

² Federal Communications Commission, Report to Congress, CC Docket No. 98-97, April 10, 1998, Separate Statement of Chairman William E. Kennard, p. 117.

Section 254 of the Telecommunications Act of 1996 established an evolving definition of universal service for basic telecommunications services that are accessible and affordable to all Americans, including those with disabilities and those who live in rural and other high cost areas. This section directed that “consumers...in rural, insular and high cost areas should have access to telecommunications and information services...that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to [those] in urban areas.”³ Commenters agree that the commitment to universal service has been critical in assuring that all consumers have access to basic telephone service.

As Chairman Kennard stated, the challenge we now face is how to ensure that universal service remains a cornerstone of federal telecommunications policy in a dynamically changing and competitive marketplace? Prior to the 1996 Act, universal service was supported through various implicit and explicit subsidies at both the state and federal level. Generally, the fees paid by business customers and long distance and value-added services supported residential and rural customers. “Regulators also set very low depreciation schedules so that local telephone companies’ expenses were kept artificially low. This arcane web of ‘implicit’ support was a workable means to achieve ubiquitous service in a monopoly environment.”⁴

The intent of the 1996 Act is to drive out “implicit” subsidies and to establish “explicit” funding in support of universal service. Commissioner Ness stated in her comments on the Commission’s “Report to Congress” on universal service:

Universal telephone service has long been a national goal, and it is a goal we have generally achieved. Today, having the opportunity to

³ 47 U.S.C. § 254 (b)(3).

⁴ TelecomPolicy.Net, “The Mechanics of Universal Service”

use the telephone network is more essential than ever before for participation in our nation's society, culture, and economy. That's why Congress has so clearly stated its intention that telephone service be ubiquitously available and affordable. To achieve this goal in the marketplace in which additional competition is developing, and desirable, Congress called for universal service support that is '*specific*,' '*predictable*,' '*explicit*,' and collected in an 'equitable and nondiscriminatory manner.'⁵ (Emphasis added)

We urge the Commission to consider, in this new competitive and industry restructuring environment, the following issue: How do we make sure that telecommunications services remain affordable for rural, low income and other at-risk consumers?

In the Public Interest Statement filed with the Commission, Bell Atlantic and GTE have stated that the merger will enable them, through their expanded scope and scale, to provide a variety of current and new products and services to customers within and outside of their existing service areas. The new company has committed to provide one-stop shopping to consumers by providing bundled services. The ability of companies to offer consumers the complete range of telecommunications services empowers consumers and classes of consumers by allowing them to bundle their telecommunications dollars.

By making consumers – including those living in high-cost or under served areas – more attractive customers, the merger will contribute to addressing the universal service challenge outlined by Chairman Kennard and Commissioner Ness above.

⁵ Federal Communications Commission, Report to Congress, CC Docket No. 98-97, April 10, 1998, Separate Statement of Commissioner Susan Ness, p.121.

Empowering consumers can make a maximum contribution to addressing the universal service challenge if the new company works with consumers and communities of interest to develop innovative packages of bundled services and marketing plans.

IV. BEST PRACTICES

We look to this merger as providing the opportunity for Bell Atlantic and GTE to thoroughly review and identify the best practices of each company and incorporate them into the new company. While we appreciate each company's commitment to its customers and the communities they serve, these best practices should be harnessed to provide all current and potential new customers with the highest level of responsiveness and service.

The new company should not only view how the merger will enable it, through the elimination of duplicative services in such areas as customer billing and research and development, to reduce costs but also utilize its new scope and scale to provide innovation and excellence in providing customer service and care, community outreach, and related services. Bell Atlantic and GTE both have remarkable strengths that can be blended into the new company. The blending of these strengths will demonstrate the firm's commitment to maintaining and building upon its core values of importance to the undersigned organizations and the public interest. These strengths include but are not limited to the new company's continued commitment in the following areas:

Diversity: The new company should continue and look to increase its commitment to diversity in its workplace, in its use of vendors and contractors, and in its outreach to the community through services, support of programs, and philanthropy. In his July 14, 1998 speech at the NAACP Annual Meeting, Raymond Smith stated "the

strides Bell Atlantic made in hiring, and mentoring, and advancing minorities in executive ranks, is part the result of our affiliation with this organization...The new leadership is absolutely committed to redoubling the company's efforts to empower minority employees."⁶ The NAACP recently published its 1998 Telecommunications Report Card.⁷ Bell Atlantic received a "B," one of the highest grades of any of the telecommunications companies graded by the NAACP. In its grading of telecommunications companies, the NAACP's "areas measured for performance, included (1) employment, hiring and promotions, (2) service deployment, (3) procurement/vendor relationships, (4) advertising/marketing opportunities and expenditures, and (5) charitable/philanthropy activity."⁸ It is this level of commitment to diversity that should be maintained by the new company.

Accessibility: The new company should ensure and expand on Bell Atlantic's strong record of accomplishment of providing products and services available and accessible to people with disabilities. For example, Bell Atlantic has demonstrated its commitment to universal design through the following principles:

Bell Atlantic remains fully committed to implementing its universal design principles to ensure that the corporation:

- Provides quality services that can reasonably accommodate a broad range of diverse customers, including individuals with disabilities;
- Goes beyond its responsibilities under the Americans with Disabilities Act to review existing services to determine which ones need to be more accessible;
- Designs and develops new services to be accessible to a broad range of diverse customers; and
- Employs these universal design principles company-wide through its relationships with customers, employees, shareholders

⁶ Raymond W. Smith, July 14, 1998 speech delivered at the NAACP Annual Meeting.

⁷ See Appendix, 1998 NAACP Telecommunications Industry Report Card.

⁸ NAACP 1998 Report on the Telecommunications Industry, Consumer Choice Guide, p.7.

and suppliers.⁹

The Commission should review this merger, as well as the performance of all telecom companies, in the context of the new company's continued commitment to provide products and services such as Braille and large print directories, 711 service, voice dialing, and other products and services geared to the hearing impaired, visually impaired, and the mobility impaired. The combination of the companies also presents an opportunity for further research and development and marketing of new products and services for people with disabilities. These commitments would demonstrate that the new company has identified this as one of its core values and of importance to its basic structure, philosophy, and performance.

Consumer Education/Protection: The new company should continue in its efforts to identify and utilize the best Bell Atlantic and GTE have to offer in providing consumer education and protections. The most effective consumer education programs and initiatives concerning slamming and cramming, privacy policy disclosures, education on consumer choice in telecommunication products and services, etc. should be adopted and used by the new company to ensure its continued commitment to serving and caring for its customers and the communities in which they live. We note that both Bell Atlantic and GTE have adopted aggressive programs to combat cramming,¹⁰ the addition of

⁹ Update, Bell Atlantic and Universal Design.

¹⁰ The National Fraud Information Center reports that slamming and cramming have become the top two consumer frauds reported to the Center's counselors.

unauthorized charges to a customer's telephone bill.¹¹

Commenters encourage the new company to continue the Consumer Advisory Board established by Bell Atlantic. The Bell Atlantic Consumer Advisory Board is comprised of twenty-one consumer and public interest leaders from the Bell Atlantic region. Bell Atlantic's purpose when it implemented this Board was to establish a dialogue among company managers and consumer and public interest leaders, "who, by face-to-face discussion, will address issues of mutual concern. Bell Atlantic seeks to gain a better understanding of how company policies and practices impact customers and potential customers...A further goal of the Board is for the Company to obtain ideas for solutions and recommendations that are customer focused and community oriented."¹²

The Bell Atlantic Consumer Advisory Board regularly meets with company executives and has reviewed and addressed issues concerning slamming, cramming, telefraud, pay telephones, privacy, accessibility, and customer care. The ongoing dialogue between the Board and Bell Atlantic has assisted the company in its planning and business management. The new company's continued use of a Consumer Advisory Board will further demonstrate its commitment to consumer education/protection and customer care.

We note that in their public interest statements and public pronouncements, Bell Atlantic and GTE claim that the merger will allow the new company to bring significant new competition to the long distance market. Commenters concur (see Section VI). However, we ask that the companies announce their intention to adopt marketing

¹¹ See Appendix for copies of Bell Atlantic's and GTE's cramming policy announcements.

¹² Bell Atlantic Corporation's Consumer Advisory Board Guidelines.

practices for the new company that will minimize the potential for slamming – the unauthorized change of a customer’s long distance company.¹³

In short, Bell Atlantic and GTE should use their combined resources and complementary strengths to encompass and adopt not only best business practices but also best customer practices.

V. CONSUMER CHOICE AND COMPETITION

a. Local Service:

Commenters are encouraged by Bell Atlantic’s and GTE’s commitment to compete directly against other local telephone service providers in areas outside of their current service areas within eighteen months of the closing of the merger. We understand that the new company will pursue large businesses first outside their territories. Nonetheless, we urge Bell Atlantic and GTE to serve quickly residential customers in these markets. It is largely RBOC to RBOC competition, or in this case the competition between an RBOC and a combined Bell Atlantic and GTE, that holds the promise of competitive choice in local service to all consumers. We are also encouraged that both Bell Atlantic and GTE have experience serving consumers and the mass market, and thus a greater ability and likelihood to serve the mass market as they enter and compete in new markets.

This head-to-head competition will provide the first real facilities-based competition on a broad scale against other RBOCs. This new competition will benefit consumers by providing them with new choices in services and products at competitive

¹³ A Louis Harris and Associated survey commissioned by the National Consumers League in 1997 found that slamming is pervasive. Thirty-three percent of those surveyed said that they or someone they knew had been slammed.

prices. The merger of the two companies is necessary to accomplish this task. The expanded scope and scale of the new company will enable it to more rapidly deploy the facilities necessary to provide this new and direct local service competition.

b. Long Distance Service:

The companies have also committed to deploy a long distance network that will provide ubiquitous service to all markets and customers on a national basis. Competition in the long distance market is another requisite of the 1996 Act. Further competition in the long distance market will benefit consumers. There is a clear and compelling need for such competition, as evidenced by the documented failure of the long distance carriers to pass through access charges to their customers. National Economic Research Associates (NERA), an independent research firm, recently released a study that confirmed the failure of the long distance carriers to pass through savings on access charges to their customers. NERA also concluded that "AT&T's increasing rates relative to costs is also clear evidence that the residential long distance market is inadequately competitive."¹⁴

A new major league player in the long distance market will drive the incumbent long distance carriers to be more innovative and responsive to the long distance consumer, provide new services, lower prices, and otherwise improve services to remain competitive with the new Bell Atlantic-GTE national long distance service. The merger will enable the new company to use its combined resources to enhance and expand GTE's long distance infrastructure to become a top tier long distance service provider. The Commission should consider the benefits to consumers through this head-to-head

¹⁴ National Economic Research Associates, "Flowthrough of January 1, 1998 Access Charge Changes to Small Business Customers," Paul S. Brandon, September 17, 1998, p. 1.

competition in the long distance market that will only take place if this merger is approved.

Creation of a new, significant competitor in the long distance market will also encourage incumbent interexchange carriers to offer local service to residential customers. Numerous studies conducted by Keep America Connected demonstrate that the large IXC's (AT&T, MCI and Sprint) have no incentive to enter the local residential market. By shunning local residential customers,¹⁵ they hope to delay Bell company entry into the long distance market. Their calculation is simple: protect their profits in the long distance market and delay entry into the local residential market where service is priced below costs.

c. Wireless:

Competition in the wireless sector has brought significant drops in the pricing of wireless services. We applaud both the drops in wireless pricing and the increased availability and choices in wireless. These changes have increased the number of users and significantly broadened the demographics of those who will be able to utilize wireless services. And for some, wireless will increasingly present a new and competitive option to local and long distance wireline service.

Yet, for many communities current wireless options do not provide coverage for their community or the national coverage necessary to make wireless service a true replacement choice for wireline service. The merged Bell Atlantic and GTE will have a combined reach to become a true national competitor, providing full nationwide coverage and the myriad of services that consumers need to find wireless a viable and affordable

¹⁵ AT&T is also shunning long distance residential customers through the imposition of a minimum \$3 monthly charge for basic service customers.

option. Adding to the relatively limited number of national wireless providers will mean more choice, increased competitive pressure on pricing, and geographic expansion to offer broad service areas in order to compete.

VI. ADVANCED TELECOMMUNICATIONS SERVICES

Many of the undersigned commenters, in other filings, have expressed their concerns to the Commission regarding the apparent regulatory and policy barriers impeding the deployment of advanced telecommunications capabilities for use by all Americans. The intent of the 1996 Act was to help hasten the achievement of these goals not to impede them.

A digital divide exists in this nation. Many areas of this country, including small urban, residential, inner city and rural communities do not have access to advanced telecommunications services. There is sufficient evidence to demonstrate that an Internet backbone and bandwidth shortage exists in this nation. Commenters have previously expressed their concerns to the Commission that the deployment patterns of the largest backbone providers place rural residents, small businesses and the poor at an access and service disadvantage. An assessment by New York University's Taub Urban Research Center has found that "less urbanized areas, economically distressed cities and interior regions lag the nation in Internet development."¹⁶

Federal policies are serving to impede or discourage the new competition and investment necessary to alleviate the problems of limited backbone capacity and uneven access to broadband networks, jeopardizing the universal access goals of Section 706 of the 1996 Act.

¹⁶ "Net Equity: Class Divisions Emerging on the Net," Mitchell L. Moss and Steve Mitra, Taub Urban Research Center, New York University, August 1998.

The adverse affects of failing to meet the demands for Internet and advanced services go well beyond slow Internet surfing. Much is at stake, affecting all aspects of our society. Telemedicine, distance learning, video relay, telecommuting and other on line applications to homes, schools, libraries, colleges and universities, health care facilities, and workplaces will only be possible if we have affordable high-speed connections to where we live, learn, work and play.

Through this merger, the commenters look to Bell Atlantic and GTE to use their combined resources to provide advanced telecommunications services to all Americans. The merger will allow the new company to use GTE Internetworking as a platform to expand GTE's current data services footprint and rapidly deploy a variety of innovative advanced telecommunications products and services.

In their Public Interest Statement to the Commission, both companies have stated that the merger will allow the new company to more fully compete against the top tier Internet backbone providers. They also committed to "significantly increasing the number of valuable Web sites and customers connected to its backbone network."¹⁷ Commenters urge the Commission to examine and institute policies that encourage the widespread availability of data/Internet services to all communities, with particular attention to underserved communities.

The Commission should consider the implications this merger will have on helping to alleviate the existing backbone and bandwidth deficit, expand and competitively equalize the number of large backbone providers, and advance the development and provision of new services to all communities.

¹⁷ Application for Transfer of Control, CC Docket No. 98-184, IV. Public Interest Showing, p.3.

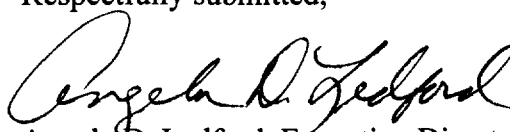
VII. CONCLUSION

We urge the Commission to approve the proposed transfer of control of GTE Corporation to Bell Atlantic Corporation. We believe this merger is in the public interest and will further fulfill the goals of the Telecommunications Act of 1996 by creating a new company, which will be able to directly compete on national and international levels in the local, long distance, wireless, and advanced telecommunications services markets. During this period of review, we urge the Commission and the two companies to examine the issues we have raised and to address these issues to the benefit of all telecommunications consumers - urban, suburban, rural, inner city, large and small businesses, and people with disabilities.

We believe this merger embodies this new era of fundamental change in the telecommunications marketplace. Through this merger, the new Bell Atlantic-GTE will be able to provide head-to-head competition in the local and long distance services arenas and new consumer choices in providers and services (in local, long distance, and wireless); serve as a force for an inclusive telecom market; speed the availability of advanced telecommunications services; blend the best practices of each company to the greater benefit of the customers and communities it serves; and, continue its commitment to universal service.

The approval of this merger is, therefore, in the national interest and is supported by the undersigned organizations.

Respectfully submitted,



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Appendix

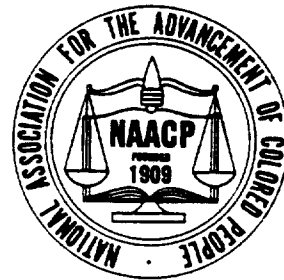
NAACP Report Card

Co-Sponsoring Organizations

African American Chamber of
Commerce of Oregon
 African-American Women's
Clergy Association
 Alpha Kappa Alpha Sorority, Inc.
 American League of Financial
Institutions
 American Studies Association
 American Tennis Association
 Association for the Study of Afro-
American Life and History
 Black Enterprise Magazine
 Black Flight Attendants of
American, Inc.
 Blacks In Government
 Card Plus
 Chicago Independent Bulletin
 CITE (Consortium of Information &
Tele-Communication Executives)
 Civil Rights Telecommunication Forum
 Clark-Atlanta University Economic
Development Center
 Cleveland, Tennessee Informer
 Congressional Black Caucus
Foundation
 Contempora Brides - Nashville, TN
 Contempora Magazine - Nashville, TN
 Delta Sigma Theta Sorority, Inc.
 Events, Inc.
 FACCC (Faculty Association of
California Community Colleges)
 Fort Valley Herald - Savannah, GA
 International Business Development
Consortium
 Issue Dynamics, Inc.
 Jack & Jill of America, Inc.
 Madison Times Weekly - Madison, WI
 Minority Business Enterprise Legal
Defense & Education Fund
 Minority Communicator-Columbus, OH
 Minority Corporate Counsel
Association
 MOBE (Marketing Opportunities in
Black Entertainment)
 Nashville Pride Newspaper
 National Association of African-
American Studies
 National Association of Blacks in
Criminal Justice
 National Association of Black
Hospitality Allies, Inc.

NAACP
 National Association of Black
Journalists
 National Association of Black
Social Workers
 National Association of Broadcasters
 National Association of Colored
Women's Club, Inc.
 National Association of Minority
Automobile Dealers
 National Association of Minority
Contractors
 National Baptist Publishing Board
 National Bar Association
 National Black Data Processing
Associates
 National Black Media Coalition
 National Coalition of 100 Black
Women
 National Council of Negro Women
 National Dental Association
 National Medical Association, Inc.
 National Newspaper Publishers
Association
 National Political Congress of Black
Women's, Inc.
 National Society of Black Engineers
 National Urban League, Inc.
 New Journal and Guide Newspaper -
Norfolk, VA
 Network of Black Women for Justice
 New Directions
 Omega Psi Phi Fraternity, Inc.
 100 Black Men of America, Inc.
 Phi Beta Sigma
 Providence American- Providence, RI
 Public Campaign
 Resource Associates International
 Riscoe & Associates
 Savannah Tribune - Savannah, GA
 Take Pride Community Magazine -
Grand Rapids, MI
 Tennessee Tribune Newspaper -
Nashville, TN
 Times Weekly Newspaper - Joliet, IL
 Toledo Journal - Toledo, OH
 Washington Informer -
Washington, DC
 Zeta Phi Beta

1998 NAACP TELECOMMUNICATIONS INDUSTRY REPORT CARD



ECONOMIC RECIPROCITY INITIATIVE



NAACP TELECOMMUNICATIONS REPORT CARD

GRADE	SCORE	RANK
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BELLSOUTH	3.13	B
SBC ¹	3.06	B
AMERITECH	3.06	B
BELL ATLANTIC	3.00	B
AT&T	2.83	B-
SNET	2.81	B-
EXCEL	2.64	C+
CINCINNATI BELL	2.53	C+
MCI/WORLDCOM	2.47	C
USWEST	2.18	C
LCI ₂	2.13	C
SPRINT	2.12	C
COMCAST	2.12	C
GTE	2.06	C
ALLTEL	1.65	D+
AIRTOUCH	1.57	D+
FRONTIER*	—	F

Excellent (E)	=	4pts	=	A
Good (G)	=	3pts	=	B
Needs Improvement (NI)	=	2pts	=	C
Poor (P)	=	1pt	=	D
Not Rated	=	0pts	=	F

1 SBC includes: Cellular One, Pacific Bell, Southwestern Bell, and Nevada Bell.

2 Owned by Quest Communications Corporation

* Did not Respond

ECONOMIC RECIPROCITY TELECOMMUNICATIONS INDUSTRY REPORT CARD

In 1996, the inaugural year of the NAACP Economic Reciprocity Initiative (ERI), corporate America was put on notice that the NAACP would be reviewing industries for their commitment to the African-American citizenry and other people-of-color.

ERI Companies are surveyed for their records in employment, vendor development/procurement, advertising and marketing, service deployment, equity opportunities and philanthropy. The lodging (hotel) industry has completed its second year review. The telecommunications industry was designated as the next industry to research, survey and analyze.

This ERI Telecommunications Report Card is the result of responses from eighteen surveyed companies that were compiled by cross-referencing industry lists of long distance, regional bell, and cellular companies meeting the following criteria:

- ◇ Fortune 1000 telecommunications firms ranging between one and 75 billion dollars in revenues;
- ◇ The top twelve cellular service providers; and
- ◇ Regional operating bell companies.

WHY GRADE THE TELECOMMUNICATIONS INDUSTRY?

- ◇ African Americans spend \$10 billion annually on telephone service.
- ◇ Economic opportunity is plentiful and this industry represents up to \$300 trillion dollars, which exceeded the gross national product by over 65% in the last two years.
- ◇ Telecommunications is the 6th largest industry in the United States today and is therefore pivotal to any effort toward economic empowerment for people of color.
- ◇ Access to service and support of the Universal Service Fund is critical to insure that our children will not be left behind as the superhighway rapidly unfolds.
- ◇ Redlining and disparity in deployment of advanced services in under-served communities continues to be a serious concern.

THE IMPORTANCE OF USING THIS REPORT CARD!

The NAACP Telecommunications Industry Report Card should be used as a guide on which African American consumers can reference in making informed choices about where and where not to spend their telephone dollars.

SUPPORT COMPANIES THAT SUPPORT YOU!

For more information,
call the NAACP
410-358-8900

Make Informed Choices - Spend Wisely!

Appendix

Bell Atlantic

&

GTE

Cramming Policies



News Release

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Bell Atlantic Moves to Shut Down Crammers; Delivers Ultimatum to Suspected Offenders

Customers Get New Protections
May 6, 1998

Media contact: [Paul Miller](#), 804-772-1460

NEW YORK - Bell Atlantic today took several aggressive steps to thwart a practice known as "cramming," or the inclusion of bogus charges on a customer's telephone bill. The company has served formal notice on several billing aggregators (companies that act as clearinghouses for providers of telecommunications and related services) that it would no longer bill for their services unless they stop doing business with at least 20 providers who are generating customer complaints of cramming.

Further, Bell Atlantic has demanded these aggregators implement more stringent procedures to screen the marketing practices of their service providers.

"We will not stand by and let these companies victimize our customers," said [James G. Cullen](#), president and CEO of Bell Atlantic's Telecom Group. "We intend to bring a stop to this."

Bell Atlantic declared an immediate moratorium on the billing of any new services not previously approved until it can be assured that cramming is under control. Bell Atlantic has historically screened proposals for billing new services and has reserved the right to reject objectionable services.

Bell Atlantic also served the required 60-day notice to all companies for which it bills that it is changing the way it addresses customer complaints about cramming. Today, when a customer complains to Bell Atlantic about a cramming charge, under existing billing agreements, he or she is referred to the telephone provider that originated the charge. Beginning in early July, when Bell Atlantic receives such a complaint, the charge will be taken off the bill with no questions asked.

Many customers appreciate getting all of their telecommunications charges on one bill. To meet that requirement, Bell Atlantic provides billing

services to a wide variety of telecommunications providers.

A recent Bell Atlantic study revealed that customer complaints about cramming have escalated. Since the first of the year, the company has received thousands of complaints on the subject, prompting the strong action Bell Atlantic is taking today.

Bell Atlantic is at the forefront of the new communications, information and entertainment industry. With more than 41 million telephone access lines and 6.7 million wireless customers worldwide, Bell Atlantic companies are premier providers of advanced wireline voice and data services, market leaders in wireless services and the world's largest publishers of directory information. Bell Atlantic companies are also among the world's largest investors in high-growth global communications markets, with operations and investments in 22 countries.

Bell Atlantic Offers Tips on Slamming, Cramming

NEW YORK -- Bell Atlantic today outlined a list of steps its customers can take to avoid being slammed and crammed.

Slamming is a long time problem in the telecommunications business, which occurs when a customer is switched from one carrier to another without the customer's approval. Cramming is the more recent problem of placing non-usage related charges on a phone bill for services or programs, such as voice mail, that the customer claims he or she did not use or request.

"We recognize we can't always be there to protect our customers from fraud. However, there are a number of things customers can do to protect themselves," said James G. Cullen, president and CEO of Bell Atlantic's Telecom Group.

Bell Atlantic offers the following tips:

Early Detection

- Review your telephone bill thoroughly.
- If you are not sure who your primary long distance carrier is, call 1-700-555-4141.
- Question the telecommunications service provider (whose name, telephone number and logo appear on the page of the bill) about any unfamiliar charges.
- If you are unable to resolve a disputed charge with the telecommunications service provider,

notify your local phone company.

Prevention

- Do not divulge personal information, such as telephone number, credit card number or social security number on any sweepstakes or raffle tickets. This information may be used to scam customers.
- Be aware of services you ordered.
- To prevent future slamming, contact your Bell Atlantic business office to put a "freeze" on your choice of telecommunications carrier. Future changes cannot be made without your authorization.
- Read the fine print on all contracts, applications and contest entry forms you sign.
- Keep a copy of all contracts and applications. This will provide a handy reference in the event of any disputes.
- Avoid filling out entries for contests that seem vague.
- Do not accept collect calls from people you don't know.
- Do not return calls to unfamiliar telephone numbers.
- Beware of faxes, e-mail, voice mail and pages you receive when you are asked to call to an unfamiliar number.
- Avoid placing calls that have an unfamiliar dialing pattern. Local, domestic and international dialing is explained in the front of your Bell Atlantic White Pages directory.
- Pay close attention to voice prompts when you make a call and reach a voice messaging system. If you're not paying close attention, you may unknowingly accept charges for the call or other services.

Also, customers can assist Bell Atlantic by reading their phone bills and by bringing any problems to the company's attention immediately.

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New Bell Atlantic 'Cramming' Policy Kicks In July 4

Company to Help Cramming Victims

June 30, 1998

Media contact: [Paul Miller](#), 804-772-1460

NEW YORK -- Beginning on the Fourth of July, Bell Atlantic will make it easier for victims of "cramming" to have unauthorized charges removed from their telephone bills.

Cramming is the practice of placing charges on a customer's phone bill for services or programs that the customer claims he or she did not use or request.

Today, when a customer complains to Bell Atlantic about a charge for a service or program that the customer says was neither used nor authorized, Bell Atlantic refers the customer to the service provider that originated the charge.

That procedure changes this Saturday. On and after July 4, Bell Atlantic will take such charges associated with suspected cramming off a customer's bill without first referring the customer to the service provider.

"Our customers should not have to jump through hoops to resolve a cramming dispute. While we cannot stop cramming altogether, we can minimize the inconvenience that victims encounter," said [James G. Cullen](#), president and CEO of Bell Atlantic's Telecom Group.

Telecommunications service providers, who use Bell Atlantic for their billing services, were notified early in May of the upcoming "one-stop" policy.

Bell Atlantic is recognized as a national leader in the effort to stop cramming. The "one-stop" policy was one part of a three-pronged attack launched by the company in May to combat the growing problem.

The other two steps taken were:

A halt to billing services to certain providers -- Bell Atlantic has, to date, served formal notice on seven billing aggregators (companies that act as

clearinghouses for providers of telecommunications and related services) that it would no longer bill for their services unless they cure the problems caused by at least 35 telecommunications providers who are generating cramming complaints from customers. Further, Bell Atlantic has demanded these aggregators implement more stringent procedures to screen the marketing practices of their telecommunications service providers.

A moratorium on providing new billing services

-- In May Bell Atlantic declared an immediate moratorium on the billing of any new services not previously approved until it can be assured that cramming is under control. Bell Atlantic has historically screened proposals for billing new services and has reserved the right to reject objectionable services.

Many customers appreciate getting all of their telecommunications charges on one bill. To meet that requirement, Bell Atlantic provides billing services to a wide variety of telecommunications providers.

A recent Bell Atlantic study revealed that customer complaints about cramming have escalated. Since the first of the year, the company has received thousands of cramming complaints prompting this strong action by Bell Atlantic.

Bell Atlantic -- formed through the merger of Bell Atlantic and NYNEX -- is at the forefront of the new communications and information industry. With more than 41 million telephone access lines and 6.7 million wireless customers worldwide, Bell Atlantic companies are premier providers of advanced wireline voice and data services, market leaders in wireless services and the world's largest publishers of directory information. Bell Atlantic companies are also among the world's largest investors in high- growth global communications markets, with operations and investments in 23 countries.

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Bell Atlantic Launches New Attack on 'Cramming;' Customers Can Limit Which Providers Appear on Bill

First Company to Give Customers Such Control

July 22, 1998

Media contact: [Paul Miller](#), 804-772-1460

NEW YORK -- Bell Atlantic today became the first telecommunications company in the country to unveil plans to allow its customers to limit the service providers whose charges are carried on their Bell Atlantic telephone bill. The move is the latest in a series of bold initiatives by Bell Atlantic to thwart the growing practice of "cramming," or the inclusion of bogus charges on telephone bills.

"Our customers want and deserve control over their phone bills. We intend to give them just that," said [James G. Cullen](#), president and CEO of Bell Atlantic's Telecom Group.

Bell Atlantic now bills its customers for telephone calls and for other miscellaneous charges submitted by any company with which it has a billing contract. Beginning in several months, customers will be able to notify Bell Atlantic that they want to be billed for the miscellaneous charges only of certain service providers -- namely, Bell Atlantic itself and the customer's pre-selected providers of regional toll and long distance services. If customers elect this option, Bell Atlantic could still bill them for the telephone calls they make using other providers, since these are not miscellaneous charges.

Many customers appreciate getting all their telecommunications charges on one bill. To meet that requirement, Bell Atlantic provides billing services to a wide variety of telecommunications providers.

Bell Atlantic is recognized as an industry leader in attacking the cramming problem. Earlier this month the company changed its policy for the handling of cramming inquiries. In the past, when customers called the company to complain about a charge for a service that was not used or authorized, they were instructed to call the service provider that originated the charge.

Today, however, the matter can be resolved with a single phone call to Bell Atlantic. If the charge is suspected to be associated with cramming, Bell Atlantic will take it off the bill immediately.

Other recent steps taken by the company include:

Termination of billing services for certain providers

-- Bell Atlantic has, to date, served formal notice on seven billing aggregators (companies that act as clearinghouses for providers of telecommunications and related services) that it would no longer bill for their services unless they cure problems caused by at least 35 telecommunications providers who are generating cramming complaints from customers. Bell Atlantic has also demanded that these aggregators implement more stringent procedures to screen the marketing practices of the telecommunications service providers who use them as a clearinghouse.

A moratorium on providing new billing services

-- In May Bell Atlantic declared a moratorium on the billing of any new services not previously approved until it can be assured that cramming is under control. Bell Atlantic has historically screened proposals for billing new services and has reserved the right not to bill for objectionable services.

A recent Bell Atlantic study revealed that customer complaints about cramming have escalated. So far this year, the company has received roughly 8,000 cramming complaints prompting this strong action by Bell Atlantic.

Bell Atlantic -- formed through the merger of Bell Atlantic and NYNEX -- is at the forefront of the new communications and information industry. With more than 41 million telephone access lines and 6.7 million wireless customers worldwide, Bell Atlantic companies are premier providers of advanced wireline voice and data services, market leaders in wireless services and the world's largest publishers of directory information. Bell Atlantic companies are also among the world's largest investors in high- growth global communications markets, with operations and investments in 23 countries.

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Something even scarier could be lurking in your phone bill.

Have you been victimized by hidden charges?

It's been brought to our attention that some companies have been "cramming" and "slamming" Bell Atlantic customers. For those of you who have been victimized by these unethical practices, Bell Atlantic is here to help.

"Cramming," as it's called, occurs whenever a customer is billed for services he or she didn't request or use (e.g., responding to a sweepstakes advertisement, then being charged a sign-up fee for a voice mail service you didn't order). If you're not sure whether or not you've been crammed, check your monthly phone bill, then immediately report any unauthorized items directly to Bell Atlantic.

"Slamming" is the practice of switching a customer from one carrier to another without

the customer's approval. An example would be agreeing to switch your long distance service, and then having your regional toll service switched as well. Again, your best recourse is to consult your phone bill and notify Bell Atlantic immediately if you think slamming has occurred.

What Bell Atlantic is doing to protect you...

As part of our initiative to stamp out cramming, Bell Atlantic, when notified, will automatically credit your account for charges relating to services that you did not order or use.

To counter slamming, Bell Atlantic will switch you back to your original presubscribed carrier, once you inform us you've been slammed. In addition, Bell Atlantic will, upon your request, place a freeze on your

phone line so that your carrier cannot be switched without your approval.

...and stop the abusers.

As part of our ongoing commitment to provide the utmost care for our customers, Bell Atlantic will do even more to help those of you who've been affected, and bring a stop to these practices.

Bell Atlantic has stopped billing charges for companies whose services or programs have generated a large number of complaints. We've also imposed a moratorium on the billing of new services and programs not previously approved by Bell Atlantic.

These initiatives are making a difference. Taken together, it is our belief that these measures will not only protect our customers, but help put an end to the crammers and slammers, once and for all.



For media information contact:
Briana Gowing, 202/463-5206, GTE

For customer inquiries:
Please visit our [Customer Care Page](#)

GTE adopts toughest anti-cramming policy in the industry; process will be fully implemented by April

October 7, 1998

WASHINGTON, D.C. – GTE Network Services today announced it was adopting the toughest anti-cramming policy in the industry to prevent unauthorized charges from being passed onto customers' telephone bills. GTE is the first company to declare its intention to implement all the best practices endorsed by the industry's anti-cramming task force.

"We're building upon many industry-leading steps GTE has already taken to send the strongest signal possible that GTE won't tolerate companies that submit false or deceptive charges to us," said Larry Sparrow, president-GTE Wholesale Markets.

National Consumers League President Linda Golodner said, "We applaud GTE for taking a strong stand against cramming. These new policies will make it harder for fraudulent companies to place unauthorized charges on GTE phone bills and easier for consumers to spot possible billing problems."

Most GTE customers want the convenience of one bill for all their telecommunication services, according to Sparrow. GTE acts as the middleman between customers and other telecommunication companies. GTE currently provides billing and collection support for more than 60 third-party companies for services ranging from long-distance and wireless to Internet access.

GTE Policy Changes

GTE has adopted and is in the process of implementing new policies that:

- Enable customers to limit the companies that can bill products to their local telephone bill by April 1, 1999;
- Eliminate non-telecommunication items, such as "club fees" or "membership fees" for psychic or sports chat lines as of Jan. 1, 1999;
- Require independent third party verification for any new service other than long-distance service provider changes on Jan. 1, 1999.

In addition, GTE has redesigned its local telephone service bills. Changes will be

phased in over six months, beginning in October with new bill phrases.

Many of the industry's best practices originated with GTE's customer satisfaction program. GTE began working with its billing and collection clients in Feb. 1997. GTE attacked the issue by requiring clear, descriptive terms on its bills and setting a customer complaint level ceiling. GTE announced this past May that it wouldn't renew third-party billing contracts with three companies for failing to meet minimum customer satisfaction levels and 11 more are on probation.

With 1997 revenues of more than \$23 billion, GTE is one of the world's largest telecommunications companies and a leading provider of integrated telecommunications services. In the United States, GTE provides local service in 28 states.

Additional information about GTE can be found at www.gte.com

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CERTIFICATE OF SERVICE

I, Wanda Stokes, a secretary for Keep America Connected, hereby certify that on the 23rd day of November, 1998, copies of the foregoing Comments regarding "In the Matter of GTE Corporation, Transferor and Bell Atlantic Corporation, Transferee, for Consent to Transfer Control," CC Docket 98-184, were hand delivered to:

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Commission Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, DC 20554


Ms. Carol Matthey
Chief, Policy and Program Planning Division
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